MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1 2022/2023 (TERM ID 2215)

BAB1014 – FINANCIAL ACCOUNTING FOR MANAGERS

(All sections/Groups)

13 FEBRUARY 2023
2.30p.m – 4.30p.m
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of 5 pages with 4 questions.
2. Attempt **ALL** questions. The distribution of the marks for each question is given.
3. Please write all your answers in the Answer Booklet provided.

QUESTION 1

The following are selected transactions of Maju Budi Enterprise for January 2022.

Date	Transactions
1 Jan	Owner invested RM15,000 of cash and RM30,000 of equipment to start the business.
3 Jan	Purchase motor vehicle RM50,000 with cash payment of RM2,000 and the remaining on credit from SV Motor Sdn. Bhd.
5 Jan	Purchase supplies RM10,000 from Ah Hock Manufacturing on credit with term of purchase of 5/10n30.
7 Jan	Paid RM500 on advertising expense by cash.
9 Jan	Sold goods to Warung Abu worth RM2,500 and deposit the check into company bank account.
10 Jan	Sold goods by credit with sales term of 3/10n30 to Raju Shop RM1,500.
12 Jan	Purchase goods by cash from Pemborong Din RM5,500.
13 Jan	Return goods to Ah Hock Manufacturing amounted RM550.
15 Jan	Paid the remaining outstanding balance due to Ah Hock Manufacturing by cash.
17 Jan	Received check from Raju shop on the outstanding balance due to the company.
18 Jan	Owner withdraw RM200 goods for his personal use.
20 Jan	Paid rental expense by check RM1,200.

Required

(a) Prepare the journal entries for the above transactions. (15 marks)

(b) Prepare the ledger for Purchase and Account Payable-Ah Hock Manufacturing. (10 marks)

(Total: 25 marks)

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QUESTION 2

The trial balance of Megat Enterprise as of 31 December, 2021 are as follows:

	(RM)	(RM)
Land and building	200,000	
Motor vehicles	90,000	
Machinery	80,000	
Fixed investment deposit	110,000	
Ordinary capital		160,800
Accumulated depreciation Motor Vehicle		72,200
Accumulated depreciation Machinery		46,100
Return outwards/purchase return		1,200
Purchase	300,000	
Sales		600,000
Discount received		3,500
Carriage inwards	4,700	
Account receivable	56,000	
Inventory as at 1 January, 2021	20,000	
Account payable		36,400
Allowance for doubtful accounts		1,000
Salary expense	30,400	
Utility expense	5,100	
Bad debt	1,000	
Cash	35,000	
Tax payable		11,000
Total	**932,200**	**932,200**

Additional information:

a. Inventories as at 31 December, 2021 was valued at RM98,000.

b. Salaries paid in advance were RM 3,000.

c. A Utility bill for RM500 has not been recorded and will not be paid until the next month.

d. Company use straight line method for depreciation. The depreciation is to be charged as follows:

   (i) Motor vehicles: 10%

   (ii) Machinery: 5%

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e. Company use allowance for doubtful debt to charge the bad debt expenses. Management estimate that 3% of account receivable as uncollected debt.

f. Accrued rental revenue of RM2,600 for December 2021 has not been recorded.

g. Owner withdraw cash amounted RM1,700 for his personal use.

Required

(a) Prepare an Income statement for the year ended 31 December,2021. (12 marks)

(b) Prepare the Statement of Financial position as at 31 December, 2021. (13 marks)

(Total: 25 marks)

QUESTION 3

Presented below are the Comparative Statement of Financial Position of Willy Bakery.

Willy Bakery Comparative Statement of Financial Position As at 31 December, 2020- 2021		
Non-current Assets	**2021**	**2020**
Property, Plant and Equipment	350,000	320,000
Current Assets		
Cash	32,000	37,000
Account receivable	86,000	64,000
Inventory	110,000	83,000
Prepaid expenses	11,000	9,500
Total Assets	**589,000**	**513,500**
Equity		
Share capital	165,000	165,000
Retained earnings	141,000	105,000
Non-current liability		
Long term note payable	98,000	102,000
Current liability		
Account payable	130,000	82,000
Utility payable	55,000	59,000
Total liability and Equity	**589,000**	**513,000**

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Required

(a) Prepare a vertical analysis for Willy Bakery and based on the result, comment on the business performance for both years. (15 marks)

(b) Compute the following liquidity ratio for both years and provide the analysis based on the result computed.

i. Current ratio

ii. Acid-test ratio (10 marks)

(Total: 25 marks)

QUESTION 4

The comparative balance sheets for Go&Go Company appear below.

Go&Go Company
Comparative Statement of Financial Position
As at 31 December

Assets	**2020**	**2021**
Cash	RM28,000	RM13,000
Accounts receivable	18,000	14,000
Inventory	25,000	15,000
Prepaid insurance	7,000	9,000
Stock investments	-	18,000
Equipment	60,000	30,000
Accumulated depreciation—equipment	(18,000)	(14,000)
Total assets	RM120,000	RM85,000
Liabilities and Stockholders' Equity		
Accounts payable	RM25,000	RM7,000
Bonds payable	37,000	45,000
Common stock	40,000	23,000
Retained earnings	18,000	10,000
Total liabilities and stockholders' equity	RM120,000	RM85,000

Additional information:

i. Net income for the year ending December 31, 2021, was RM18,000.
ii. Cash dividends of RM10,000 were declared and paid during the year.

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iii. Stock investments that had a book value of RM18,000 were sold for RM15,000 in cash.
iv. Additional equipment was purchased in cash.

Required

(a) Prepare a statement of cash flows for the year ended 31 December 2021 using the indirect method. (20 marks)

(b) Based on the cash flow statement of the company, comment on the cash flow generated by investing activities. (5 marks)

(Total: 25 marks)

End of Paper